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Rural Credits

By J. T. Thomas

(continued from last week)

Why is it that those who are most urgent in their demands for a rural credit or a land loan system, similar to Italy, or some other country, do not go further and tell that money at low interest rates must be the result of conditions and that such conditions as exist in those countries, we, nor our posterity, would tolerate here, and what the advantage would cost the farmer in sacrifice of liberty, toil, endurance and deprivation, low wages and an impoverished laboring class; that the prevailing rate of interest in those countries is less than 4½ per cent., and that the farmer there enjoys no advantage, in this respect, over other business enterprises; that the merchant, manufacturer and business of those countries pay a less rate of interest than do our merchants and manufacturers. Nor do they tell us that, in order to secure such low rates on long time it is necessary for a loan to run over a period of twenty and often sixty years? None of our farmers would care to mortgage their farm for half the length of time. They do not tell us that in those countries farms are seldom bought and sold, and often they are held in families from generation to generation—the children (in some countries the elder son) succeeding parents; therefore, but few farms change hands and never at a price that will enable the investor to make more than a mere living, and possibly small interest, from tilling the same. They do not tell us that children of farmers, where many in a family, are forced to seek other trades or vocations, are compelled to emigrate because the farm of the parent cannot be made to sustain them; that it is impossible for the farmers of those countries to accumulate a fortune without an inheritance to aid, while in this country thousands upon thousands of farmers grow wealthy from profits of their farms; that in Europe there is class and distinction between the rich and the poor, the educated and ignorant, that 100 acres of land is a big farm, and that the average farm contains less than forty acres. But few of our people would be content with 4 per cent. money on a 40-acre farm; they had rather pay 8 per cent and own 320 acres. The tillable land in those countries will not return two-thirds the revenue that our land will yield under the same system of cultivation. We are not told that the average farmer of Italy spends less than one-fourth of what is required to sustain the average farmer of our country. Nor are we reminded of the fact that in Germany there are 370 people to every square mile, while we have less than thirty people to every square mile in this country.

If my reasoning be good, and it be impossible for us to really enjoy the privilege of money on long time at low interest rates, as they do in Europe, without the attendant conditions, then it behooves us to evolve the next best plan—something that will do, even though the interest is not so low or time of loan so long. I therefore suggest a

plan which, to my mind, will come nearer supplying the want and in a perfectly legitimate way, than any I have seen offered.

Regional reserve banks are authorized by law to lend country banks, who are stockholders, upon notes secured by a certain class or kind of collateral. Amend the law and provide that all country banks who are stockholders of a regional reserve bank may borrow of it and hypothecate real estate loans as collateral at face value, provided such real estate loans shall be made at not more than 6 per cent. interest. The amendment should be read about this way: Country banks may lend of their funds in an amount equal to the total of four times their capital (if local demand be greater, local bank could increase capital) upon the security of farm land, used and operated for farm purposes and located in the county of the domicile of the bank making the loan (this restriction would insure that loans would come through banks having some knowledge of the land offered as security). Such loans to be secured by first mortgage on not less than twenty acres of farm land; at least twenty acres shall be in cultivation, and provided the owner shall reside thereon during the life of the loan. No loan to be made for a less sum than \$300.00 nor for more than 10 per cent. of the capital stock of the bank making same, and not to exceed 50 per cent. of a fair value of land accepted as security; may run for a period not to exceed ten years and bear a rate of not more than 6 per cent. (of course, this would not restrict all real estate loans to 6 per cent., but such as would bear a greater rate would not be subject to rediscount as herein provided). The principal to be repaid in annual installments, or the maturity, to suit the borrower. When notes secured by mortgage and at rate fixed, taken by any bank (member of regional reserve bank) shall aggregate the sum of \$5,000.00, such bank shall have the right to hypothecate the same with the regional bank and borrow therefrom the face value thereof at a rate not to exceed 5 per cent. Such loans shall be made in sums of not less than five thousand dollars, or multiples thereof, and the sum of the total shall not exceed four times the capital stock of any stockholder bank offering the discount (if this is not sufficient to supply demand, local bank could increase its capital). Provided, the regional bank shall have the privilege to inspect the land given as security for any loan offered, and the right to refuse to accept any loan as collateral which it may consider inadequately secured. Loans made by the regional bank shall mature not later than maturity of notes given as collateral (right to substitute collateral could be arranged).

This plan, I believe, would give the farmer ample opportunity and every facility necessary to secure money on long time and at low rates of interest. And as there is a bank in almost every village, and certainly one in each county of every State, there would be just so many arteries to the source of supply. In this way the farmer would be enabled to deal direct with his home bank and thus prevent much of the "red tape" methods frequently irksome and

objectionable to one not schooled in business routine. The plan would avoid the enormous expense of organizing and equipping land loan banks, as well as the great expense necessary to operate them. By this plan there could hardly be a chance of loss to the regional reserve bank, as the original loan would not be more than 50 per cent. of value of land and the responsibility of the bank making the loan would be ample, since it could only discount four times its responsibility in capital, to say nothing of surplus. While difference in rate charged 6 per cent. and that paid 5 per cent. (I presume both would lessen in time) would not give much profit to the county bank, yet advantages would accrue indirectly, as all well-informed banks understand.

It is my opinion that before any great demand could be made upon regional banks, loans of this class would be in demand by investors, such as life insurance companies, saving banks and individuals, and at no time would the demand become a burden to reserve banks.

I am firmly convinced that this plan is practical and feasible, and all that is necessary to put in operation is an amendment to our federal reserve banking law. Banks are already organized all over the country and no time would be consumed in putting the law into operation, nor would the experiment be of any cost.

Our farmers should rather resent the suggestion that they are charges upon our national or state governments to the extent that they should be given advantages over others who may be equally deserving.

They have the right to ask, indeed, to demand favors of their local banks, if members of federal reserve system, loans in due course of business of the reserve association. Only in this way can a rural credit system be established—without experiment, great cost and attendant risk.

Our farmers must win by effort, and, by indomitable determination, take their chances and opportunities as others do and as many of them are doing every day. Only in this way well they be justified or can they be made proud of their achievements. Let the law of thrift and competition have a chance and it will regulate and minimize apparent evils sooner and more effectually than will an unwise law upon our statute books.—Grenada Sentinel.

To the Voters of Chickasaw County

Please accept my sincere gratitude for the generous support you gave me at the First Primary election for the office of State Senator. You already know, from my public utterances, the principles and policies for which I stand and those to which I am opposed. I will be in the Second Primary and if you will honor me with your support on that occasion it will be accepted with the most heartfelt appreciation. "With malice toward none but charity to all," I remain most respectfully,

Your Obedient Servant,
N. W. BRADFORD.

The Quinine That Does Not Affect The Head Because of its tonic and laxative effect, LAXATIVE PROMOTIVE QUININE is better than ordinary Quinine and does not cause nervousness or ringing in head. Remember the full name and look for the signature of R. W. GROVE, 25c.

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LADIES, you should visit the Real Cash Store and see the Splendid Offerings in NEW DRESS GOODS. See the all wool French and Stoxen Surges—the 25c Dress Material. The New 15c Craqule Cloth in Colors. SPECIAL. 500 yds. Red Seal and Toille DuNord Gingham, the best 12 1-2c goods at 11c yd. We Buy and Sell For Cash and Sell for Less. Buy It Here and Save the Difference

McDUFFIE & COMPANY

THE REAL CASH STORE

OKOLONA, MISSISSIPPI

Miss Elizabeth Gean



Winner in the "On to Frisco" Contest which closed last Saturday night. They gave Miss Gean a clear majority of 233,600 votes.

Chas. J. Moore

Candidate for State Revenue Agent



To the People of Mississippi:

I appreciate, most deeply, the splendid support you gave me in my race for State Revenue Agent. I am in the run-off, and I ask you for your continued support.

I have made the race upon my own merits. I am asking you for your support on a proposition of sound economics.

Section 4739, Code 1906, reads: "It is the duty of the State Revenue Agent to investigate the books, accounts and vouchers of the State, and of every county, municipality and levee board." It is also his duty to collect public revenues in arrears. In other words, the State Revenue Agent is the traveling auditor of the State.

I think that the office, as a matter of principle, should be on salary basis, but regardless of that, if I am elected I propose to help the tax assessors systemize the assessments and do all in my power to see that the taxes are properly assessed and collected to begin with, thus cutting out the back tax nuisance. If back taxes are honestly due, I propose

To the Voters of Chickasaw County

My duties and business at home make it impractical for me to make another canvass of the County before the second primary. I take this method of expressing to you sincerest thanks for your loyalty in the first and asking your support in the second. If elected, as I have said throughout the campaign, I shall stand for equal rights to all and special privileges to none, expenditures within the revenues, measures looking forward to a more just equalization of State tax, some of the officers on a salary where they pay too much on fee basis. I shall stand opposed to too much legislation and unnecessary legislation. My test shall be, "Is it right and best for the people of my State?" The office barely pays expenses but it is very important to the people. You have been good to me. I want to be elected your Senator solely that I may give some of the best efforts of my young manhood to the service of the State. No one would appreciate your support more than I. I shall be glad to address the people of the County when requested to do so.

adv.

JOE H. FORD.

to collect them, but I pledge myself not to injure the State by taking advantage of technicalities or in any other manner. I propose to perform the duty of auditing counties by putting them on a uniform system of accounting and installing the same system of carbon, or duplicate, records that the big business interests use, having the counties send these records to the Jackson office, and through this medium keep all counties checked up at all times. Municipalities, etc., will be handled in a similar manner. From these records I will compile and publish an annual trial balance and cost sheet, showing, in an analyzed form, where every cent of the tax money goes.

Wouldn't it be better to prevent graft, error, and the escape of property from taxation, rather than merely detect it after it has happened? If private business is run on this sound principle, why cannot the people's business be as strictly attended to? It can be if we elect competent men to office.

Who would be most apt to do this—a lawyer or an expert accountant? My opponent is a lawyer. I am an expert accountant. I have had nine years' experience doing exactly this kind of work.

"An ounce of prevention is worth a pound of cure."

Let's get down to business.

Respectfully yours,
CHAS. J. MOORE,
Expert Accountant and Auditor,
Durant, Holmes County,
Candidate for State Revenue Agent.

adv.

Mrs. C. H. Howell

Again death has knocked at our door and claimed as his one of our best women. Mrs. C. H. Howell passed away at her home

here Saturday morning at near 5 o'clock, surrounded by her family and several friends.

She had been in poor health for several years and was seriously afflicted with pneumonia last winter. Recovering from which she showed signs of a weak heart and began to decline in strength until she was finally confined to her room where she patiently awaited the end, remaining conscious to the very last.

Mrs. Howell was a most estimable lady, a good neighbor, a faithful wife and loving mother. Kind and considerate, she was beloved by a great circle of friends, who were numbered only by her acquaintance.

She leaves a husband, a daughter, Mrs. G. A. Brock, of Meridian, and two sons to mourn her loss together with a number of other relatives and friends. The Messenger extends sympathy to the bereaved.

Whenever You Need a General Tonic Take Grove's

The Old Standard Grove's Tasteless chill Tonic is equally valuable as a General Tonic because it contains the well known tonic properties of QUININE and IRON. It acts on the Liver, Drives out Malaria, Enriches the Blood and Builds up the Whole System. 50 cents.

NOTICE

Okolona, Miss., Aug. 11, 1915.

The partnership heretofore existing between W. A. Houston and A. L. Jagoe, under the firm name of "Houston & Jagoe" has this day, by mutual consent of the partners, been dissolved.

All accounts, notes and other assets have been placed in the hands of A. L. Jagoe for the purpose of winding up the affairs of the partnership and all parties indebted to said firm are hereby notified and are requested to make prompt payment to said A. L. Jagoe.

W. A. Houston,
A. L. Jagoe.